

FBNBank Ghana Limited

SUMMARY FINANCIAL STATEMENTS PREPARED FROM THE
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022



SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts are in thousands of Ghana Cedis)

	2022	2021
Interest income using the effective interest rate method	326,940	261,164
Other interest income	2,954	668
Interest expense	(124,970)	(87,482)
Net interest income	204,924	174,350
Fee and commission income	20,408	27,330
Fee and commission expense	(2,828)	(2,175)
Net fee and commission income	17,580	25,155
Net trading income	231,959	20,284
Revenue	454,463	219,789
Other income	-	23
Net impairment loss on financial assets	(212,397)	(5,697)
Personnel expenses	(52,803)	(53,118)
Depreciation and amortisation	(20,890)	(14,079)
Operating expenses	(65,962)	(35,076)
Profit before tax	102,411	111,842
Income tax expense	(30,544)	(28,103)
National fiscal stabilisation levy	(5,121)	(5,592)
Financial sector recovery levy	(5,121)	(4,579)
Profit for the year	61,625	73,568
Other comprehensive income	-	-
Total comprehensive income for the year	61,625	73,568
Earnings per share (Ghana Cedis)		
Earnings per share (basic and diluted)	0.15	0.18

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

(All amounts are in thousands of Ghana Cedis)

	2022	2021
Assets		
Cash and cash equivalents	621,808	271,170
Investment securities	1,511,978	928,690
Trading assets	8,178	8,681
Derivatives held for risk management	-	25,536
Loans and advances	550,247	602,166
Other assets	13,815	9,175
Investments in associates	8,088	8,088
Property and equipment	21,918	17,892
Right-of-use asset	45,980	33,966
Intangible assets	123	343
Deferred tax asset	52,320	6,295
Total assets	2,834,455	1,912,002
Liabilities		
Customer deposits	1,207,121	888,249
Deposits from banks and other financial institutions	428,222	345,613
Derivative assets held for risk management	374,116	-
Other liabilities	81,121	60,060
Lease liability	24,732	16,542
Current tax liabilities	67,083	11,103
Total liabilities	2,182,395	1,321,567
Shareholders' funds		
Stated capital	400,000	400,000
Income surplus	110,284	67,438
Statutory reserve	141,776	110,963
Credit risk reserve	-	12,034
Shareholders' funds	652,060	590,435
Total liabilities and shareholders' funds	2,834,455	1,912,002

VICTOR YAW ASANTE
(Managing Director/CEO)

KOFOWOROLA MAJEKODUNMI
(Chairman)

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts are in thousands of Ghana Cedis)

	2022	2021
Cash flows from operating activities		
Profit before income tax	102,411	111,842
Adjustment for:		
Depreciation and amortisation	20,890	14,079
Impairment loss on financial assets	215,054	14,357
Gain on disposal of property and equipment	-	(23)
Effect of exchange rate fluctuations on cash and cash equivalents held	(42,748)	(5,125)
Unrealised exchange difference	405,705	(25,536)
Net interest income	(204,924)	(174,350)
Changes in loans and advances to customers	(44,062)	(81,904)
Changes in other assets	(26,964)	(1,943)
Changes in customer deposits	303,803	119,869
Changes in deposits from banks and other financial institutions	82,732	(109,925)
Changes in other liabilities	21,033	10,222
Changes in trading assets	3,457	(8,018)
Cash generated from/(used in) operations	836,387	(136,456)
Interest received	280,083	262,698
Interest paid	(108,600)	(83,797)
Interest paid on lease liability	-	(863)
Tax paid	(22,605)	(19,896)
National fiscal stabilisation levy paid	(4,112)	(3,345)
Financial sector recovery levy paid	(4,114)	(3,222)
Net cash generated from operating activities	977,039	15,119
Cash flows from investing activities		
Sale/Redemption of investment securities	760,795	828,878
Purchase of investment securities	(1,416,271)	(831,956)
Purchase of property and equipment	(11,660)	(8,714)
Purchase of intangible assets	-	(93)
Proceeds from disposal of property and equipment	289	46
Net cash used in investing activities	(666,847)	(11,839)
Cash flows from financing activities		
Principal payment of lease liabilities	(2,302)	(7,766)
Net cash used in financing activities	(2,302)	(7,766)
Increase/(Decrease) in cash and cash equivalents	307,890	(4,486)
Analysis of changes in cash and cash equivalents		
Cash and cash equivalents at 1 January	271,170	270,531
Increase/(Decrease) in cash and cash equivalents	307,890	(4,486)
Effect of exchange rate fluctuations on cash and cash equivalents held	42,748	5,125
Cash and cash equivalents at 31 December	621,808	271,170

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts are in thousands of Ghana Cedis)

	Stated capital	Income surplus	Statutory reserve	Credit risk reserve	Revaluation reserve	Total
Year ended 31 December 2021						
At 1 January 2021	400,000	27,258	74,179	14,949	1,289	517,675
Profit for the year	-	73,568	-	-	-	73,568
Total comprehensive income	-	73,568	-	-	-	73,568
Transfer to statutory reserve	-	(36,784)	36,784	-	-	-
Transfer from credit risk reserve	-	2,915	-	(2,915)	-	-
Derecognition of revaluation reserve	-	481	-	-	(1,289)	(808)
Total transfers	-	(33,388)	36,784	(2,915)	-	-
At 31 December 2021	400,000	67,438	110,963	12,034	-	590,435
Year ended 31 December 2022						
At 1 January 2022	400,000	67,438	110,963	12,034	-	590,435
Profit for the year	-	61,625	-	-	-	61,625
Total comprehensive Income	-	61,625	-	-	-	61,625
Transfer to statutory reserve	-	(30,813)	30,813	-	-	-
Transfer from credit risk reserve	-	12,034	-	(12,034)	-	-
Total transfers	-	(18,779)	30,813	(12,034)	-	-
At 31 December 2022	400,000	110,284	141,776	-	-	652,060

The summary financial information presented in this publication is an extract from the annual report for the year ended 31 December 2022. The annual report is available for inspection at the Bank's Head office at 111 Liberation Road, Accra.

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NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1.0 Basis of preparation

The summary financial statements are prepared in accordance with the requirements of the Guide for Financial Publication for Banks and Bank of Ghana Licensed Financial Institutions. The Guide requires the summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG).

The accounting policies applied in the preparation of the audited financial statements, from which the summary financial statements were derived, are in accordance with IFRSs and are consistent with the accounting policies applied in the preparation of the previous annual audited financial statements.

The annual audited financial statements were authorised for issue on 25 April 2023.

2.0 Quantitative Disclosures

	2022	2021
Capital Adequacy Ratio	56.90%	62.99%
Non-Performing Loans (NPL) Ratio	24.94%	4.25%
Liquid Ratio	137.2%	97.98%
Leverage Ratio	27.11%	28.68%
Contingent liabilities (GHS'000)	41,347	64,719

Assumptions and estimation uncertainties that have the most significant risk of resulting in a material adjustment in the year ended 31 December 2022 relates to impairment of financial instruments. Impairment allowance for the current year was GHS215million as compared to the prior year of GHS 12million.

3.0 Qualitative Disclosures

The Bank has exposure to the following risks from its use of financial instruments and from operations:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. Under this framework, the Board has established a number of separate independent bodies responsible for managing and monitoring risks. These include, Board sub-committees, Credit Committee of management (MCC), Risk Management Department, Asset and Liability Management Committee (ALCO), which are responsible for developing and monitoring the Bank's risk management policies in their specified areas. All Board committees report regularly to the Board of Directors on their activities.

4.0 Defaults in statutory liquidity and accompanying sanctions

	2022	2021
Default in Statutory Liquidity (Number)	Nil	Nil
Sanctions (GHS'000)	96.5	72

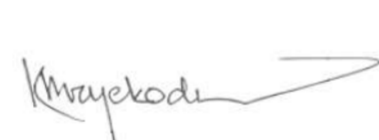
These sanctions were in relation to FX returns and remittances rate.

5.0 The financial statements of the Bank were approved by the Board of Directors on 25 April 2023 and signed on their behalf by:

On behalf of the Board:



VICTOR YAW ASANTE
(Managing Director/CEO)



KOFOWOROLA MAJEKODUNMI
(Chairman)

NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Directors' Responsibility Statement

The Bank's Directors are responsible for preparation of the summary financial statements comprising the summary statement of financial position at 31 December 2022 and the summary statements of comprehensive income, changes in equity and cash flows and related notes to the summary financial statements for each financial year which gives a true and fair view of the state of affairs of the Bank.

The Directors have prepared these summary financial statements in accordance with the requirements of the Guide for Financial Publication for Banks and Bank of Ghana Licensed Financial Institutions. The Guide requires the summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG). The accounting policies applied in the preparation of the audited financial statements, from which the summary financial statements were derived, are in accordance with IFRSs and are consistent with the accounting policies applied in the preparation of the previous annual audited financial statements.

The Directors are responsible for ensuring that the Bank keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Bank. The Directors are also responsible for safeguarding the assets of the Bank and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

The Directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

Principal activities

The Bank is licensed to operate as a universal bank under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

Holding Company

The Bank is a subsidiary of FirstBank of Nigeria Limited, a Bank incorporated in the Federal Republic of Nigeria.

Dividend

The Directors do not recommend dividend for the year ended 31 December 2022 (2021: Nil).

Directors

The names of the Directors who served during the year are provided on page 1 of the 2022 full year financial statements. No director had any interest at any time during the year, in any contract of significance, other than executive directors who have a contract of employment with the Bank. No director had interest in the issued ordinary shares of the Bank.

Capacity of directors

The Bank goes through a rigorous process in ensuring only fit and proper persons are appointed to the Board after obtaining consent from Bank of Ghana. Relevant trainings are in place to enable the Directors discharge their duties.

Interest in other Body Corporates

The Bank has no subsidiary entities during the year and at year end. The Bank has a non-controlling interest in FBNBank Guinea and FBNBank Senegal. The principal activity of these entities is banking.

Auditor

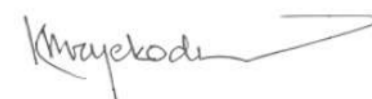
In accordance with Section 81 of the Banks and Specialised-Deposit Taking Institutions Act, 2016 (Act 930) and Section 139 of the Companies Act, 2019 (Act 992), KPMG was appointed as external auditors in 2020 by the Bank and will continue in office.

Approval of the Financial Statements

The report of directors of FBNBank Ghana Limited, were approved by the Board of Directors on 25 April 2023 and signed on their behalf by:



VICTOR YAW ASANTE
(Managing Director/CEO)



KOFOWOROLA MAJEKODUNMI
(Chairman)

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To the Members of FBNBank Ghana Limited.

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2022, and the summary statements of comprehensive income, changes in equity and cash flows for the year then ended and related notes, are derived from the audited financial statements of FBNBank Ghana Limited for the year ended 31 December 2022.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with the basis described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) applied in the preparation of the audited financial statements of FBNBank Ghana Limited. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 27 April 2023. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements for the current period.

Directors' Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary financial statements in accordance with the basis described in note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Labaran Amidu (ICAG/P/1472).



For and on behalf of:
KPMG: (ICAG/F/2023/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELANKPE
P O BOX GP 242
ACCRA

27 April 2023




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